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RUEAIIA/CIA WASHDC IMMEDIATE
RHEFDIA/DIA WASHINGTON DC IMMEDIATE
RHHMUNA/USPACOM HONOLULU HI IMMEDIATE
RHMFISS/JOINT STAFF WASHINGTON DC IMMEDIATE
RUEKJCS/SECDEF WASHINGTON DC//DSCA// IMMEDIATE
RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE
RHHJJAA/JICPAC HONOLULU HI IMMEDIATE
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC IMMEDIATE
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000161

SIPDIS

STATE FOR EAP/TC, STATE PASS USTR FOR STRATFORD, ALTBACH
AND O'CONNOR, TREASURY FOR OASIA/WINSHIP AND JEWELL, NSC
FOR LOI, COMMERCE FOR 4431/ITA/MAC/AP/OPB/TAIWAN, USDA FOR
FAS/OCRA RADLER AND ANDERSON-SPERECHER; FAS/OSTA FOR BLUM,
BEAN, AND DAWSON; APHIS/IS; FSIS HARRIES, AND FAS/OFSO FOR
SALLYARDS

E.O. 12958: DECL: 02/09/2020

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SUBJECT: TAIWAN'S OPPOSITION LEADER ON BEEF, ARMS SALES,
PARTY POLITICS

REF: TAIPEI 124

Classified By: AIT Director Bill Stanton for reasons 1.4 (b/d)

11. (C) Summary: The impasse over U.S. beef imports would
take a long time to resolve and would best be handled through
the World Trade Organization (WTO), Democratic Progressive
Party (DPP) Chair Tsai Ing-wen told the AIT Director during a
February 8 lunch. At the same time, Tsai expressed confidence
that an NGO effort to hold a referendum requiring the
renegotiation of the beef protocol would fail. Tsai welcomed
the latest U.S. arms sales package but added she would like
to see the United States also offer Taiwan F-16s and
submarines. On DPP politics, Tsai expressed optimism that
her party would do well in February 27 legislative
by-elections and hinted that she might seek another term as
party chair. End summary.

Don't Worry About Beef

12. (C) At a February 8 luncheon with the Director, DPP Chair
Tsai Ing-wen acknowledged that the Ma administration's
mishandling of the U.S.-Taiwan beef protocol had helped her
and the DPP; she then jokingly scrutinized the menu to see
whether U.S. beef would be served. Tsai quickly took on a
more serious tone, suggesting that resolving the impasse over
beef would take a long time and should be handled through the
WTO. She urged that the controversy not affect other aspects
of U.S.- Taiwan relations.

13. (C) The United States should not be concerned about an
NGO coalition's push for a referendum on renegotiating the
U.S. beef protocol, Tsai said. The Legislative Yuan's (LY)
passage of legislation restricting the importation of certain
beef products had taken the heat out of the issue, making it
far from certain that the organizers could collect the
signatures needed to hold the referendum in conjunction with
this December's special municipality elections. Even if the
organizers managed to put the issue on the December ballot,
however, the island-wide turnout would be too low for the

motion to be approved. DPP Advisor Joseph Wu noted that constitutional thresholds for passing referenda have proven extremely difficult to meet. Although neither Tsai nor Wu said the DPP would oppose a referendum, Tsai made clear that, from a political perspective, pursuing additional restrictions on beef "would not be a winning issue" for the party.

14. (C) Note and comment: Tsai's analysis of the prospects for the referendum's passage seems sound. Looking at the calendar and the complicated referendum process, it appears theoretically possible but highly unlikely that the referendum would make the ballot for the December municipal elections. Taiwan's Central Election Commission announced on February 5 that the Consumer Foundation and its NGO allies had six months to collect the nearly 900,000 signatures needed before the beef question could be put to Taiwan's voters. The issue has largely dropped from the news and we have not seen evidence that there would be active DPP support for the signature drive. For a referendum to pass, at least 50 percent of all voters on the island must participate and at least half of them must vote in favor. Even if the issue were on the December ballot, it now appears unlikely that it would reach either of these marks. End note and comment.

F-16s and Subs, Please

15. (C) Tsai welcomed the recent U.S. decision on arms sales, noting that the weapons were initially sought by the former DPP administration led by then-President Chen Shui-bian. The

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DPP would not have a problem with the package, Tsai assured the Director, as long as prices were not too high. The Director assured her that the U.S. FMS system was transparent on questions of price and that U.S. systems were unmatched in quality. Tsai added that the United States also should sell Taiwan F-16s and submarines, which she noted were part of the original Chen administration request. The Director pointed out that recent negative comments in the media by DPP legislator Hsueh Ling describing the U.S. weapons as overpriced "junk" were ill-informed and unhelpful for both the DPP and U.S.-Taiwan relations. Tsai said Hsueh did not speak for the DPP.

Party Politics in 2010...

16. (C) Turning to domestic politics, Tsai acknowledged that she and the DPP were benefiting from the party's local election victories in December and January. (Note: The independent Global Views Monthly poll conducted in January recorded a 52.5 percent approval rating for Tsai. End note.) She predicted DPP candidate Bi-khim Hsiao would win the toughest race in the February 27 by-elections, Hualien County, a traditional KMT stronghold. She sidestepped questions of whether she would run for head of one of Taiwan's five special municipalities at the end of this year and claimed she preferred not to serve another term as party chair when her current term expired in May. Tsai would rather take some time off to enjoy life but maintained no one else wanted her job. (Note: Our contacts have told us some people were eyeing the party chairmanship but were waiting for Tsai to decide whether she wanted to stay on. End note.). Tsai noted that in the meantime, party elders were currying her support for their political aspirations.

...And Presidential Politics in 2012

17. (C) Tsai identified former Premiers and DPP Chairmen Su Tseng-chang and You Shyi-kun, and former Vice President Annette Lu as party elders who were interested in running for President in 2012. Whoever the DPP candidate was, she assured the Director, he or she would not harm U.S.-Taiwan

relations. The DPP was now unified and adhered to the party line. Tsai denied personal interest in running for President in 2012, pointing out that many people thought she lacked ambition. Tsai was quick to suggest that popular Taichung Mayor Jason Hu and LY President Wang Jin-pyng as possible KMT candidates should Ma fail to secure the nomination for re-election.

Comment

18. (C) The generally reserved and lawyerly Tsai appeared at ease and in good spirits, even going so far as to crack the occasional joke. Since becoming chair in 2008 after the party's disastrous defeats in presidential and legislative elections, Tsai has led the DPP to several victories and secured the confidence of the party faithful in her leadership abilities. Given the effort she is expending on the party and her success in quelling naysayers, it is hard to imagine that Tsai would walk away from the party and politics just when her own political future seems brighter than ever.

STANTON